



FAIRFAX COUNTY
PUBLIC SCHOOLS

Department of Financial Services

Office of Procurement Services
8115 Gatehouse Road, Suite 4400
Falls Church, Virginia 22042-1203
Telephone: 571-423-3550

AUG 22 2014

Terry Roberts
Heartland Payment Systems, Inc.
dba Heartland School Solutions
1620 W. Fountainhead Parkway
Suite 501
Tempe, AZ 85282

Reference: RFP2000000877 - Enterprise eCommerce System

Mr. Roberts:

Acceptance Agreement
Contract Number 4400005207

This acceptance agreement signifies a contract award to Heartland Payment Systems, Inc. dba Heartland School Solutions for an Enterprise eCommerce System. The period of the contract shall be from Date of Award through June 30, 2019, with three (3) two (2)-year renewal options.

The contract award shall be in accordance with:

1. This Acceptance Agreement;
2. The Terms and Conditions of RFP2000000877 - Enterprise eCommerce System, and any addenda;
3. Your Technical and Business Proposals dated November 14, 2013; and
4. The signed Memorandum of Negotiation.

Please note that this is not an order to proceed. A purchase order, which constitutes your notice to proceed, will be issued to your firm. Please provide your Insurance Certificate according to Special Provisions Paragraph 13.2(h) within ten (10) days after receipt of this letter.

Sincerely,

Michelle Pratt
for Roger L. Ball
Director

RLB/jrw

*Ball
8/22/14*



**FAIRFAX COUNTY
PUBLIC SCHOOLS**

Department of Financial Services

Office of Procurement Services
8115 Gatehouse Road, Suite 4400
Falls Church, Virginia 22042-1203
Telephone: 571-423-3550

MEMORANDUM OF NEGOTIATION

RFP2000000877 - Enterprise eCommerce System

The County of Fairfax (hereinafter called FCPS or the County) and Heartland Payment Systems, Inc. dba Heartland School Solutions (hereinafter called the Contractor) hereby agree to the following in the execution of **Contract 4400005207** (hereinafter called the Contract) for the provision of the Enterprise eCommerce System requirement as specified in RFP2000000877. The Contract contains the following items:

- a. County's Request for Proposal - RFP2000000877, dated October 1, 2013, and all Addenda;
- b. Contractor's Technical and Business Proposals, dated November 14, 2013, as amended by this Memorandum of Negotiation;
- c. This Memorandum of Negotiation, which incorporates the following:
 - i. Contractor's Oral Demonstration of February 12, 2014 (Attachment A);
 - ii. Contractor's Demonstration Clarifications response, dated February 28, 2014 (Attachment B);
 - iii. Contractor's Response to Negotiation Questions, dated June 10, 2014 (Attachment C); and
 - iv. Contractor's Best and Final Response, dated June 20, 2014 (Attachment D);
- d. County's Purchase Order; and
- e. Any subsequent amendments to the Contract agreed to by the County and Contractor in a written amendment to this Contract.

In the event of a conflict between this Memorandum and the Heartland School Solutions response to RFP 20000000877, this Memorandum of Negotiation shall control.

The following provisions were negotiated by the parties and are incorporated into the Contract:

1. Contract Period and renewal: The contract will begin at date of award and terminate on June 30, 2019. Automatic contract renewals are prohibited. Contract renewals must be authorized by and coordinated through FCPS Purchasing Department. FCPS reserves the right to renew the contract for an additional three (3) two (2)-year periods, or any mutually agreed term.
2. Heartland will appoint a Project Manager for the FCPS Enterprise eCommerce System project. This person will be the direct liaison with the Division, and will manage Heartland's functional teams, host weekly conference calls with FCPS,

monitor the project schedule, and assist in answering customer questions and concerns as needed. Heartland's Project Manager will also track any risks and/or issues and escalate to upper management should the need arise. The FCPS Project Manager will be the single point of contact with the Division to provide consistency in procedures and seamlessness of effort across all services provided by Heartland.


3. Parties agree to the following price schedule:

Initial Fee	Per Transaction Fee
Fee for the 2014-15 School Year	3.35%
Volume Based Fees for Subsequent School Years (One Rate Based on Year 1 Volume)	Per Transaction Fee
\$0 – 10 million	3.55%
\$10 million - \$25 million	3.25%
Over \$25 million	3.00%

The fee will be 3.35% for the first year of this program. At the end of the first school year, Heartland will reset the fee based on the volume achieved in that first year, according to the table above. The fee will apply for any means of payment (credit card, debit card, and eCheck). The fee for all lunch purchases will remain at its current level of \$1.95.

4. Heartland confirms that maintenance and support services are included in the annual license fees.

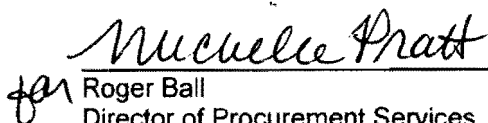
ACCEPTED BY:



Terry Roberts
Executive Director
Heartland School Solutions

8-12-14

Date



for Roger Ball
Director of Procurement Services
Fairfax County Public Schools

8/15/14

Date

Fairfax County Public Schools

RFP2000000877

Enterprise eCommerce System
Product Demonstration



BILLING SOLUTIONS



SCHOOL SOLUTIONS

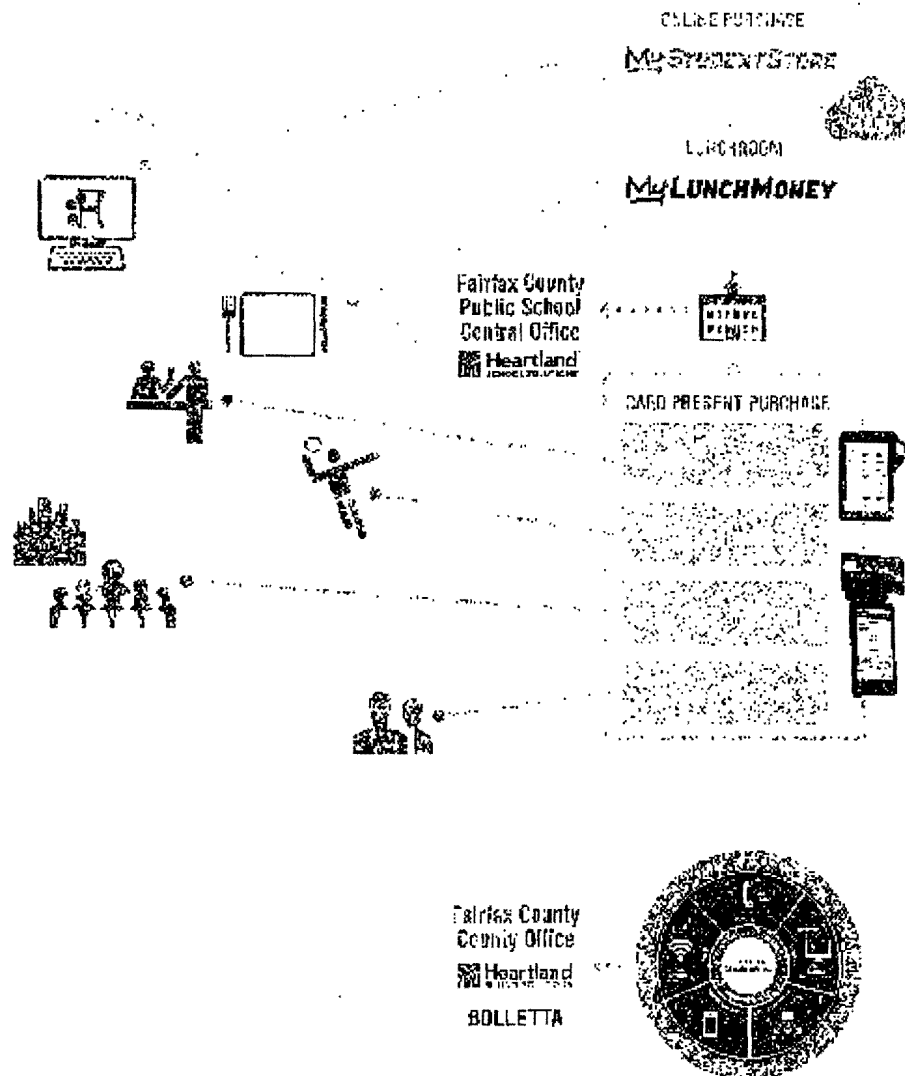


CAMPUS SOLUTIONS



Innovating. Investing. Growing.

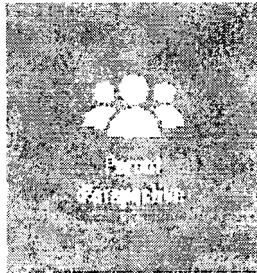
Fairfax County





FCPS Payments Strategy

OUTLINE BOOKS



Facilities

STAFFING OF SERVICES



PARO PRESENTATIONS



Accelerate Your Growth



FCPS MyLunchMoney Quick Stats

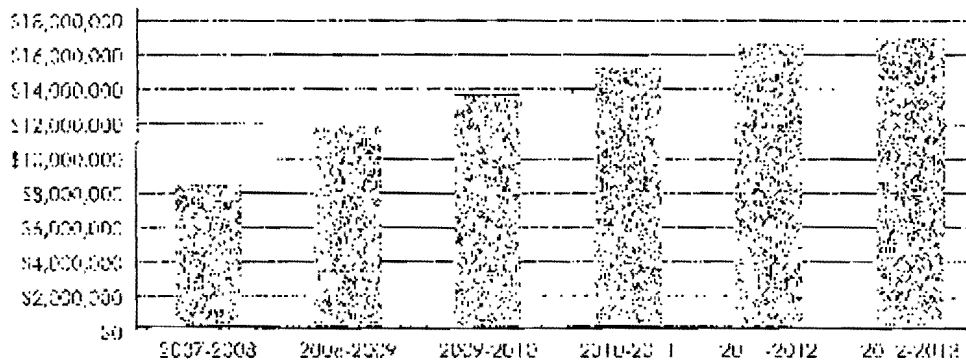
\$16.7 Million processed for Fairfax in 2012-2013 school year

56,191 students had payments added to their account in 2013

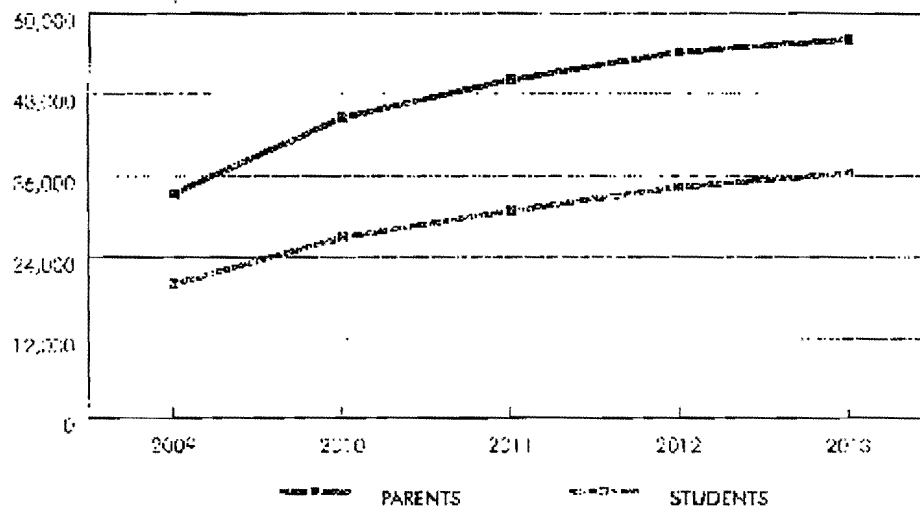
36,362 parents who made payments in 2013

73% Payment Volume Growth over 6 years

MYLUNCHMONEY VOLUME

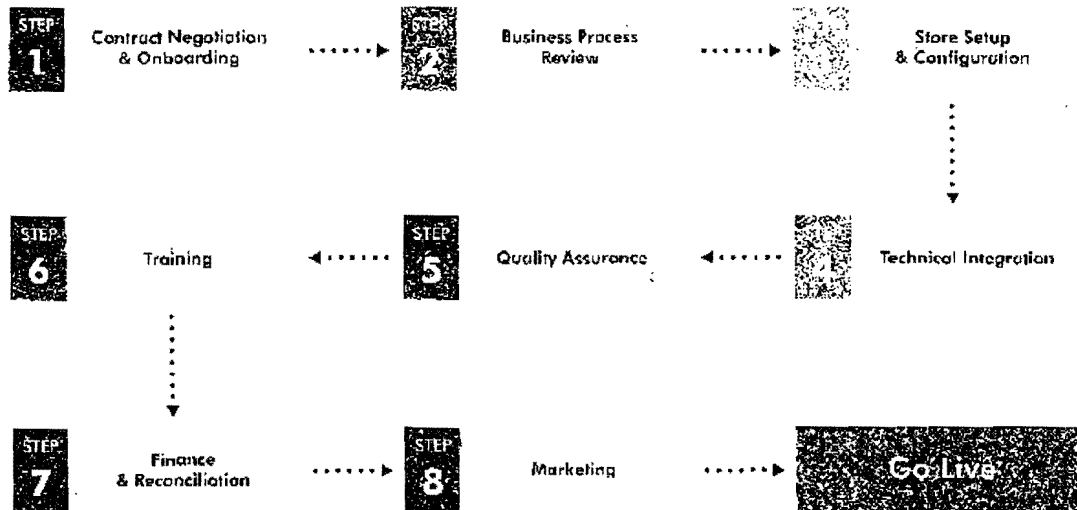


ACTIVE STUDENTS & PARENTS



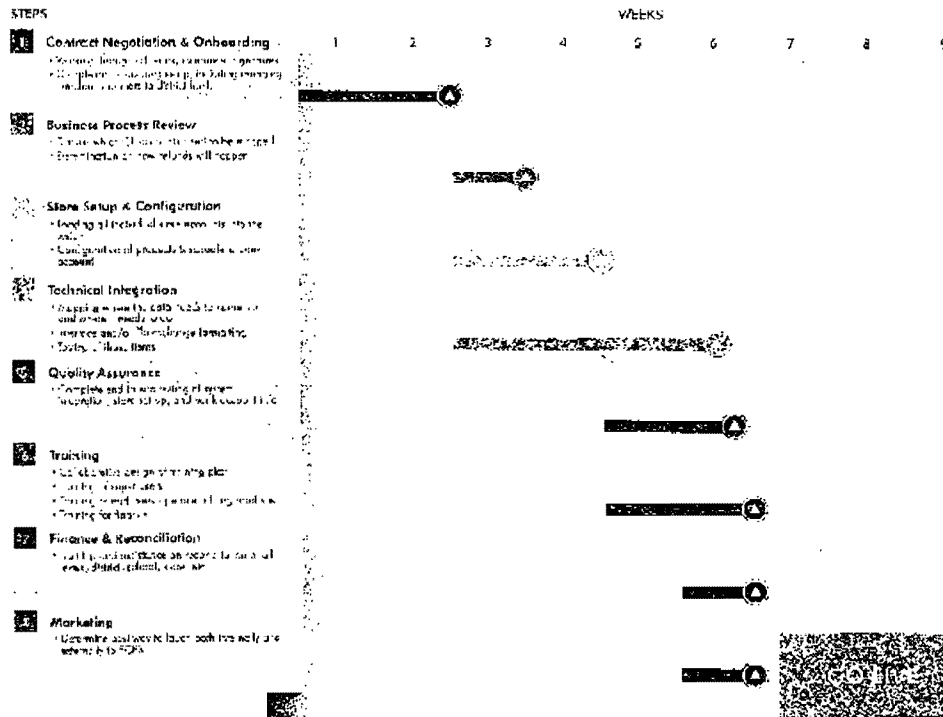


FCPS Project Flowchart





FCPS Project Timeline



— Key Milestone

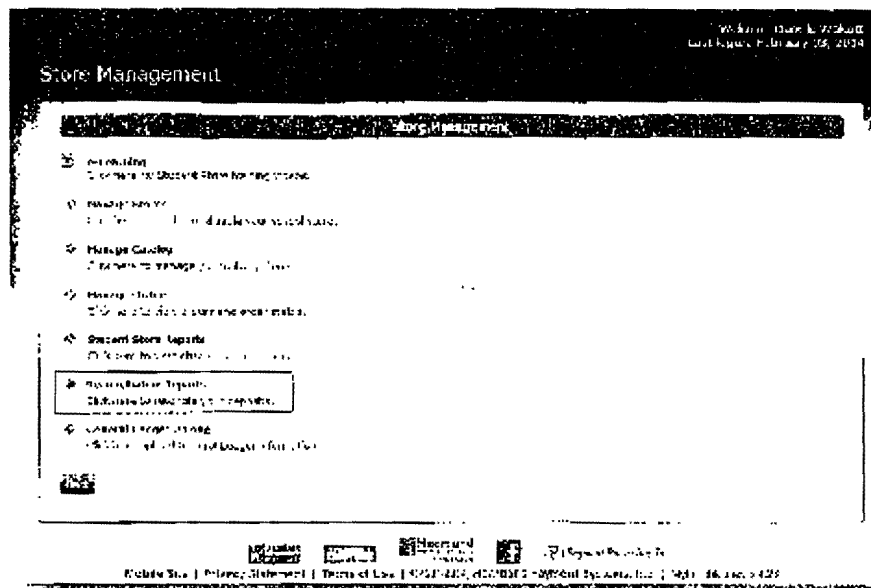


RFP 2000000877 Enterprise eCommerce System
Fairfax County Public Schools

4 Steps to Reconciliation

Step 1: Select the Reconciliation Reports Tab

The Reconciliation Reports tab is located within the Store Management section of the Administrator website.





RFP 2000000877 Enterprise eCommerce Systems
Fairfax County Public Schools

Step 2: Filter Your Report

Select Merchant: From the dropdown list, select the merchant account to verify deposit amounts against.

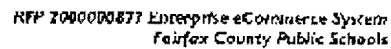
Statement Date: Choose the month to reconcile payments against.

Deposit Amount: Enter the total amount of deposits received for the selected merchant account.

Auto Verification Option: Checking this box allows the system to read all of the batch line entries and determine if they are a match against the deposit total entered.

A screenshot of the "Reconciliation" interface within the Enterprise eCommerce System. The interface is titled "Reconciliation" and includes a sub-header "Enterprise eCommerce System". It features several input fields and buttons. The "Merchant" field is set to "Fairfax County Public Schools". The "Statement Date" is set to "February 2014". The "Deposit Amount" field is empty. The "Auto Verification" checkbox is checked. There are buttons for "Search" and "Cancel". The interface also displays a "Total" field showing "0.00". At the bottom, there are logos for "Enterprise eCommerce System", "Fairfax County Public Schools", and "Enterprise eCommerce System, Inc.".

Fairfax County Public Schools



After pressing continue, a summary screen will display all payments made for the date range selected.

[illegible]



RFP 2000000877 Enterprise Commerce System
Fairfax County Public Schools

Step 4 – Reconcile Your Report

Reconcile Now: This option completes the reconciliation process and removes the batches from view. This is a final step and should only be taken when all batches are verified and approved.

Save For Later: This option verifies batches but saves the data for final reconciliation approval at a later date. The data will remain until final reconciliation.

Print: This allows the detail screen to be printed in an excel format.

A screenshot of the "Reconciliation" screen in the software. The screen displays a table with columns for Batch, BP, Date, Amount, Deposited, Deposited Date, Deposited Amount, and a checkbox for "Reconcile". The table shows several rows of data. Below the table, there are fields for "Selected Total: \$1,125.00", "Total Available: \$1,125.00", and "Reconciled: \$0.00". At the bottom, there is a section titled "Available Options" with buttons for "Reconcile Now", "Save For Later", and "Print".

Batch	BP	Date	Amount	Deposited	Deposited Date	Deposited Amount	Reconcile
1	1	10/15/11	100.00	100.00	10/15/11	100.00	<input type="checkbox"/>
2	1	10/15/11	100.00	100.00	10/15/11	100.00	<input type="checkbox"/>
3	1	10/15/11	100.00	100.00	10/15/11	100.00	<input type="checkbox"/>
4	1	10/15/11	100.00	100.00	10/15/11	100.00	<input type="checkbox"/>
5	1	10/15/11	100.00	100.00	10/15/11	100.00	<input type="checkbox"/>
6	1	10/15/11	100.00	100.00	10/15/11	100.00	<input type="checkbox"/>

Selected Total: \$1,125.00 Total Available: \$1,125.00 Reconciled: \$0.00

Available Options



RFP 2000000877 Enterprise eCommerce System
Fairfax County Public Schools

Sample Reports

Sales Summary Report

Home	Inventory	Orders	Reports	Configuration	Account	Help	Logout	Admin																																	
Home > Reports > Sales																																									
<input checked="" type="checkbox"/> Sales Summary																																									
Date Range: <input type="text"/> to <input type="text"/>																																									
Filter: <input type="text"/>																																									
Report Period: <input type="text"/>																																									
From: <input type="text"/> To: <input type="text"/>																																									
Run																																									
<table border="1"> <thead> <tr> <th>Product Name</th> <th>Product Price</th> <th>Product Price (incl. Tax)</th> </tr> </thead> <tbody> <tr> <td>Product A</td> <td>10.00</td> <td>10.00</td> </tr> <tr> <td>Product B</td> <td>20.00</td> <td>20.00</td> </tr> <tr> <td>Product C</td> <td>30.00</td> <td>30.00</td> </tr> <tr> <td>Product D</td> <td>40.00</td> <td>40.00</td> </tr> <tr> <td>Product E</td> <td>50.00</td> <td>50.00</td> </tr> <tr> <td>Product F</td> <td>60.00</td> <td>60.00</td> </tr> <tr> <td>Product G</td> <td>70.00</td> <td>70.00</td> </tr> <tr> <td>Product H</td> <td>80.00</td> <td>80.00</td> </tr> <tr> <td>Product I</td> <td>90.00</td> <td>90.00</td> </tr> <tr> <td>Product J</td> <td>100.00</td> <td>100.00</td> </tr> </tbody> </table>									Product Name	Product Price	Product Price (incl. Tax)	Product A	10.00	10.00	Product B	20.00	20.00	Product C	30.00	30.00	Product D	40.00	40.00	Product E	50.00	50.00	Product F	60.00	60.00	Product G	70.00	70.00	Product H	80.00	80.00	Product I	90.00	90.00	Product J	100.00	100.00
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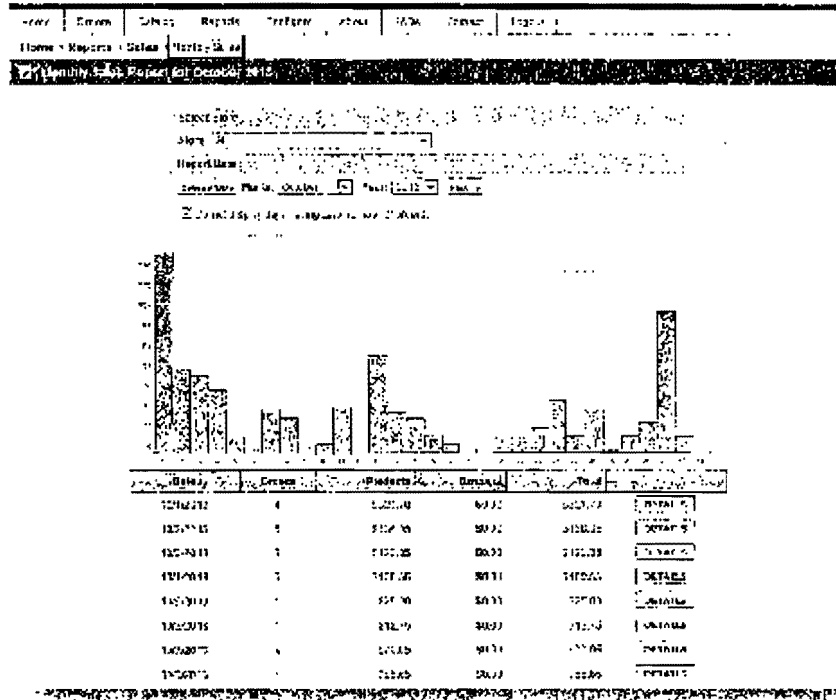
Daily Sales Report

Home	Inventory	Orders	Reports	Configuration	Account	Help	Logout	Admin																																	
Home > Reports > Sales																																									
<input checked="" type="checkbox"/> Daily Sales																																									
Date Range: <input type="text"/> to <input type="text"/>																																									
Filter: <input type="text"/>																																									
Report Period: <input type="text"/>																																									
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Product I	90.00	90.00																																							
Product J	100.00	100.00																																							



RFP 2000000877 Enterprise eCourseware System
Fairfax County Public Schools

Monthly Sales Report





RFP 2000000877 Enterprise eCommerce Systems
Fairfax County Public Schools

Order Status Report

Home | Tables | Query | Results | Tables | Data | Search | Export

Home - Tables

D. Other Tables

Get table data for table Sample 1 in the selected database. You can page through the data.

Date Range: - - Date: Order: |

Group: Sample 1 | Filter: | | |

Columns: | | |

Table Data

ID	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Sample 8	Sample 9	Sample 10	Sample 11	Sample 12	Sample 13	Sample 14	Sample 15	Sample 16	Sample 17	Sample 18	Sample 19	Sample 20	Sample 21	Sample 22	Sample 23	Sample 24	Sample 25	Sample 26	Sample 27	Sample 28	Sample 29	Sample 30	Sample 31	Sample 32	Sample 33	Sample 34	Sample 35	Sample 36	Sample 37	Sample 38	Sample 39	Sample 40	Sample 41	Sample 42	Sample 43	Sample 44	Sample 45	Sample 46	Sample 47	Sample 48	Sample 49	Sample 50	Sample 51	Sample 52	Sample 53	Sample 54	Sample 55	Sample 56	Sample 57	Sample 58	Sample 59	Sample 60	Sample 61	Sample 62	Sample 63	Sample 64	Sample 65	Sample 66	Sample 67	Sample 68	Sample 69	Sample 70	Sample 71	Sample 72	Sample 73	Sample 74	Sample 75	Sample 76	Sample 77	Sample 78	Sample 79	Sample 80	Sample 81	Sample 82	Sample 83	Sample 84	Sample 85	Sample 86	Sample 87	Sample 88	Sample 89	Sample 90	Sample 91	Sample 92	Sample 93	Sample 94	Sample 95	Sample 96	Sample 97	Sample 98	Sample 99	Sample 100
1	Sample 1	Sample 2	Sample 3	Sample 4	Sample 5	Sample 6	Sample 7	Sample 8	Sample 9	Sample 10	Sample 11	Sample 12	Sample 13	Sample 14	Sample 15	Sample 16	Sample 17	Sample 18	Sample 19	Sample 20	Sample 21	Sample 22	Sample 23	Sample 24	Sample 25	Sample 26	Sample 27	Sample 28	Sample 29	Sample 30	Sample 31	Sample 32	Sample 33	Sample 34	Sample 35	Sample 36	Sample 37	Sample 38	Sample 39	Sample 40	Sample 41	Sample 42	Sample 43	Sample 44	Sample 45	Sample 46	Sample 47	Sample 48	Sample 49	Sample 50	Sample 51	Sample 52	Sample 53	Sample 54	Sample 55	Sample 56	Sample 57	Sample 58	Sample 59	Sample 60	Sample 61	Sample 62	Sample 63	Sample 64	Sample 65	Sample 66	Sample 67	Sample 68	Sample 69	Sample 70	Sample 71	Sample 72	Sample 73	Sample 74	Sample 75	Sample 76	Sample 77	Sample 78	Sample 79	Sample 80	Sample 81	Sample 82	Sample 83	Sample 84	Sample 85	Sample 86	Sample 87	Sample 88	Sample 89	Sample 90	Sample 91	Sample 92	Sample 93	Sample 94	Sample 95	Sample 96	Sample 97	Sample 98	Sample 99	Sample 100

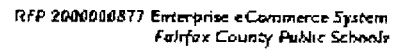


RFP 2000000477 Enterprise e-Commerce System
Fairfax County Public Schools

Reports also include:

- Sales where customers have provided additional information prior to checkout
- Product overview reporting to validate setup of products across stores at a glance
- Sales reporting by product
- Product popularity
- Breakdown of sales by product

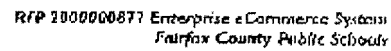
Item	Order	Quantity	Unit Price	Discount	Total	Tax	Grand Total
<p>Product: <input type="text" value="Dell Inspiron 1521"/> <input type="button" value="Search"/></p> <p>Quantity: <input type="text" value="1"/></p> <p>Unit Price: <input type="text" value="\$1,299.00"/></p> <p>Discount: <input type="text" value="0.00"/></p> <p>Total: <input type="text" value="\$1,299.00"/></p> <p>Tax: <input type="text" value="0.00"/></p> <p>Grand Total: <input type="text" value="\$1,299.00"/></p>							





**RFP 2000000877 Enterprise eCommerce System
Fairfax County Public Schools**

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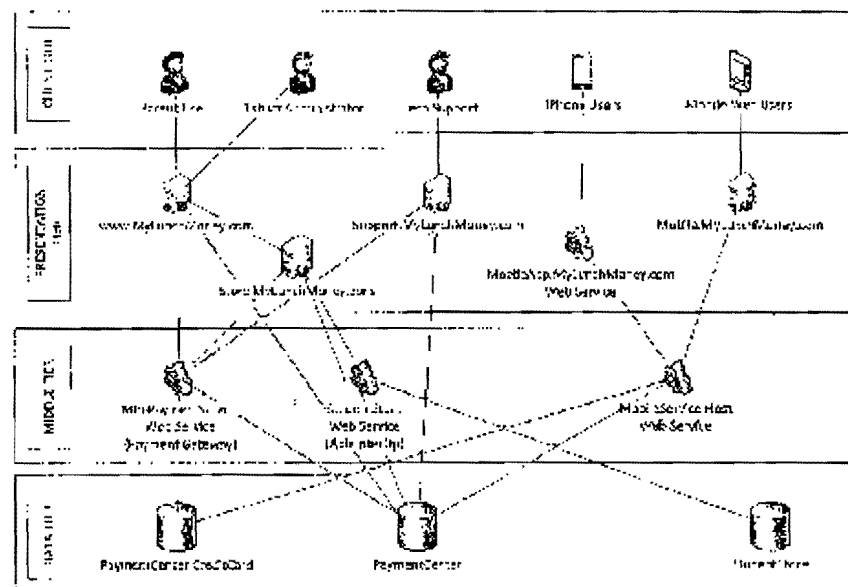
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RFP 2000000877 Enterprise e-Commerce System
Fulford County Public Schools

Technical Architecture

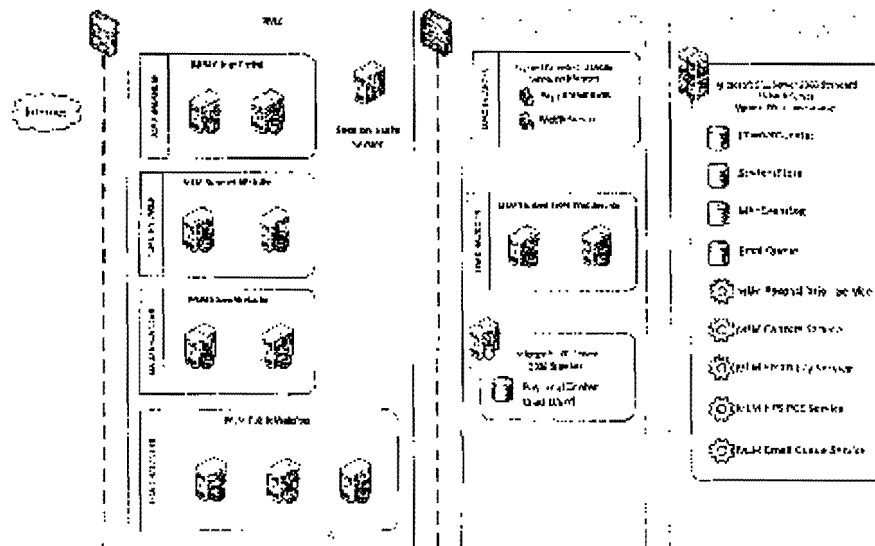
Public Application Components





RFP 2000000877 Enterprise e-Commerce System
Fairfax County Public Schools

MyLunchMoney/MyStudent Store





RFP 1000000877 Enterprise eCommerce System
Fairfax County Public Schools

Sample Marketing Materials

Digital Materials

A digital advertisement for My Student Store. The main headline reads "My STUDENT STORE SCHOOL PAYMENTS MADE EASY!". Below this, it says "SIGN UP AT www.mylunchmoney.com". To the right, it says "PAY FOR YOUR SCHOOL PURCHASES ONLINE!" and "QUICK & CONVENIENT YOU CAN: Purchase uniforms and spirit wear, Pay class fees or dues, Make donations to your school, and more!". At the bottom, it says "SIGN UP FOR YOUR FREE ACCOUNT TODAY!". There is also a small "My LUNCH MONEY" logo and a "DOWNLOAD OUR APP" button.

Emails

A digital advertisement for the My LUNCH MONEY mobile app. It features the "My LUNCH MONEY" logo and the text "DOWNLOAD YOUR MOBILE APP TODAY!".

A digital button for the My Student Store website. It says ">> CLICK HERE FOR << My STUDENT STORE".

Website buttons
and banners

My STUDENT STORE



RFP 2000003677 Enterprise eCommerce System
Fairfax County Public Schools

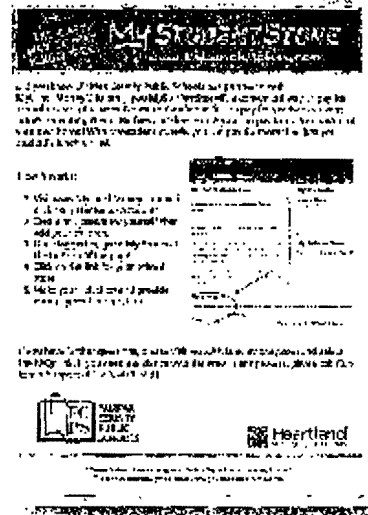
Print Materials



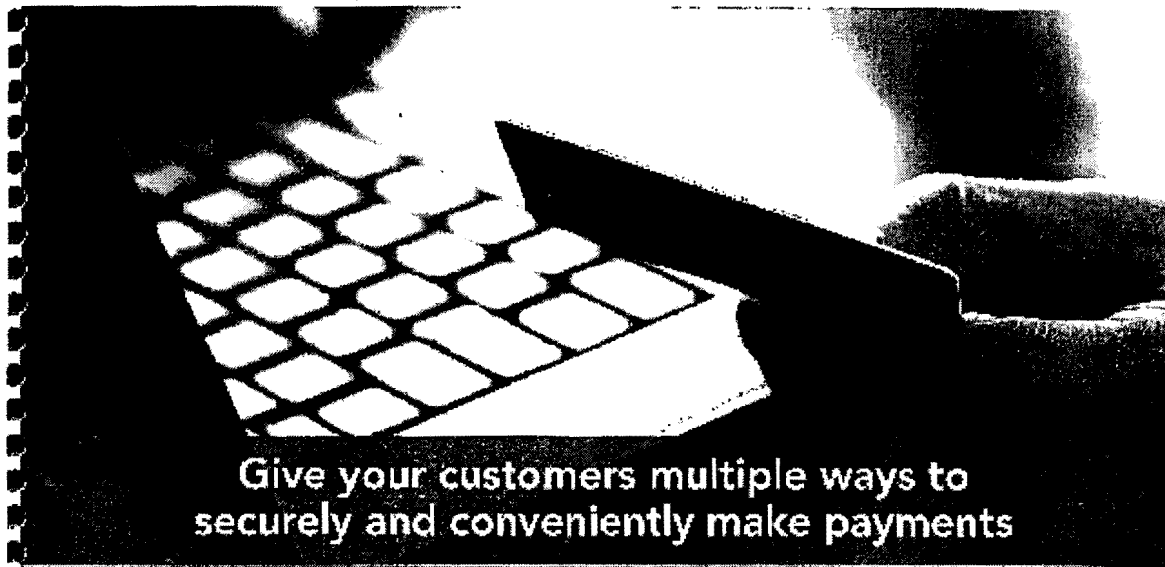
Postcards



Postcard holders



Letters



**Give your customers multiple ways to
securely and conveniently make payments**

The **Bolletta Product Suite** from Heartland Billing Solutions. Completely integrated, we provide you with payment solutions that work together seamlessly for the ultimate user experience. Our comprehensive product suite offers your operation:

Convenience

Your customers will have no difficulty finding a way to pay through our variety of payment channels, including web, telephone, in person and mobile.

Efficiency

Greatly reduce manual handling and processing with automated and scheduled delivery of daily, weekly and monthly fee schedule reports across all payment channels. Chargebacks and disputed transactions are easily managed through system processes.

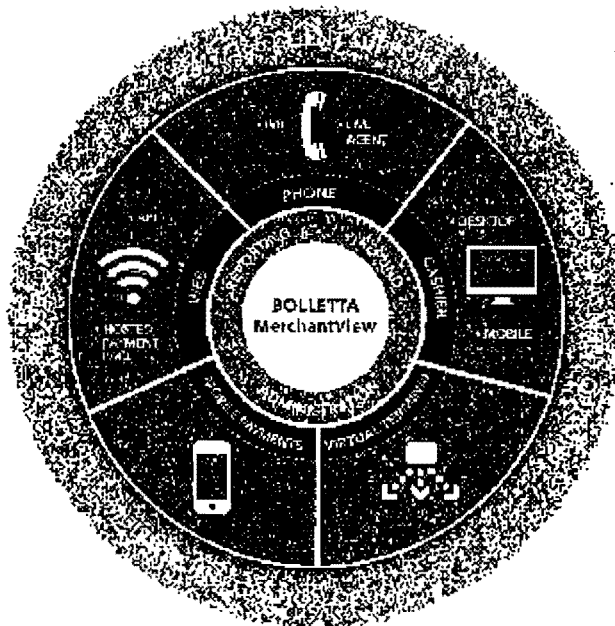
Cost Savings

Boost your bottom line through competitive transaction pricing that requires minimum, if any, up-front costs from you.



The Bolletta Product Suite from Heartland Billing Solutions.

Bolletta MerchantView, your system administration tool that provides up-to-date transaction reports, as well as payment void and refund functionality in a completely secure environment.



Bolletta Phone is an app designed for accepting payments near the phone that includes Bolletta Live Agent and Bolletta IVS.



Bolletta Mobile gives users the ability to submit a payment securely from anywhere at any time using a mobile device.



Bolletta Web is a web-based solution that gives customers an easy, convenient, and secure way to make payments from your website.



Bolletta Virtual Terminal is your safe, secure way to accept a payment without the necessity of installing hardware or software.



Bolletta Cashier gives you the ability to accept any Internet-enabled computer or tablet into a point-of-sale system.

The Bolletta Product Suite is completely integrated, providing you with systems that work together seamlessly for the ultimate user experience. In addition, our U.S.-based customer service team is extremely responsive, with an average live-person chat answer time of less than six seconds.

As one of the largest payment processors in the U.S., Heartland provides you with system security and reliability that is second to none. In 2012, our Level 1 PCI-certified payments platform processed more than 3 billion transactions and \$120 billion in volume.*

* The Nilson Report, March 2013

For more information, contact:

Jeremy Loch
460-260-0909
Jeremy.Loch@hbs.com





1620 W. Fountainhead Parkway, Suite 501 • Tempe, AZ 85282
P: 800.423.2113
heartlandschoolsolutions.com

February 27, 2014

Mr. James Wise, CPPB
Fairfax County Public Schools
Office of Procurement Services
8115 Gatehouse Road, Suite 4400
Falls Church, VA 22042-1203

Dear Mr. Wise:

Thank you for the clarification questions regarding Heartland's MyStudentStore demonstration on February 12, 2014. Here are the answers to those questions:

1A. Question: Is there a way to copy/clone an existing event to reduce data entry steps?

Answer: We assume you are referring to the creation of a new product within the item catalog. That process requires a very small number of steps. However, if this is critical functionality for FCPS, it would not be a difficult addition to allow a current item to be copied, assigned a unique SKU, and then changed from that starting baseline. Additionally, we can assist FCPS with the initial setup by entering the first 300 items during setup.

1B. Question: Explain how an inventory number (or SKU) is created for new items.

Answer: There are two ways to do this. First, a SKU can be manually entered. The system will validate that the SKU does not already exist for another item. Alternatively, we can deploy a SKU generator add-on that will allow for a unique SKU to be generated for a product.

1C. Question: Can ad hoc reports be created? Will you provide database access so FCPS may run queries?

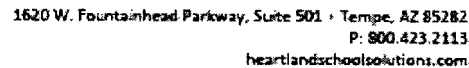
Answer: Yes, ad hoc reports can be created. Because the database contains sensitive personal information, we cannot provide direct access and still maintain our standards of security. However, we can schedule an export of that database, scrubbed of the sensitive personal information, on a regular basis to allow FCPS to run reports and queries.

2. Question: Have you completed a project that integrated with Great Plains, and if so in which district?

Answer: Great Plains is an internal product used at Heartland, and we have significant experience integrating our own internal systems with Great Plains. Additionally, Heartland has significant

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3/10/14



5A. Question: Can purchasing be restricted based on grade level or other attributes?



1620 W. Fountainhead Parkway, Suite 501 • Tempe, AZ 85282
P: 800.423.2113
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Answer: Yes, purchasing can be restricted based on any attribute either contained within MyStudentStore or passed to it from another district system.

5B. Question: How long are shopping cart selection retained if a transaction is deferred to a later date?

Answer: Items stay in a parent's shopping cart until the parent removes the item. However, if an item expires (like a parking fee with a certain expiration date) or if the district inactivates or removes an item from the store, the item will then be automatically deleted from the cart.

6. Question: How is risk of card hacking mitigated for parents that opt to have you retain their information?

Answer: Parent card information is retained in an encrypted database in a secured DMZ, in a physically secured tier-4 datacenter. The physical servers are housed in a secured cage; physical security and access is monitored 24/7 by First National Technology Solutions. Once stored, card data is only retrieved in the secure DMZ to send to a processor's gateway in a secure channel. Card information is never displayed to an end user; only the last 4 digits are surfaced to the user interfaces. To ensure this environment is secured, it is regularly scanned by Heartland Payments Systems with Qualys Guard. This is included in all by PCI reviews to ensure PCI compliance. The source code is also regularly scanned before each release by HP Fortify to ensure it is protected from any known exploits.

7A. Question: Do customers receive a response the same or next business day?

Answer: Parents typically connect immediately to a live support person when they call our call center. This allows us to provide an outstanding customer experience by answering the parent's question immediately and allowing them to move forward with whatever they're trying to do. If a parent writes an email to us, we typically provide responses within 24 hours, but very frequently in less time. All district requests for service are handled immediately. Our call center in Tempe, Arizona, takes tens of thousands of phone calls from parents every month. The vast majority of requests are simple to handle (from password resets to enquiries about whether a payment has posted), but we field all of those calls instead of directing them to you. This saves time for FCPS and allows your staff to focus on more important tasks.

7B. Question: Will we be able to see a report of the number (and content) of support/help desk tickets that are generated by users?

Answer: Yes, we would be happy to provide this information. For a period of time, we provided this information to FCPS foodservice for MyLunchMoney.



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We hope these answers prove useful and on point. As part of the initial deployment for FCPS, we will work with you to make sure that these and all business process questions are addressed and that MyStudentStore is properly configured to meet your needs. When questions do arise, our call center will handle them for both parents and FCPS administrators. Our entire financial success in working with FCPS is tied only to parents making payments through MyStudentStore, so we have a deep interest in making sure that both you and Fairfax parents are extremely pleased with the system and see clear value in it.

If you have any additional questions, please do not hesitate to ask.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Roberts", written over a horizontal line.

Terry Roberts
Executive Director, Heartland School Solutions
480-289-2929
terry.roberts@e-hps.com

Fairfax County Public Schools



Response to Request for Negotiation
RFP2000000877
Enterprise eCommerce System





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P: 800.423.2113
heartlandschoolsolutions.com

June 10, 2014

Jim Wise, CPPB
Fairfax County Public Schools
8115 Gatehouse Road, Suite 4400
Falls Church, Virginia 22042-1203

Reference: RFP2000000877 - Enterprise eCommerce System

Dear Mr. Wise:

Thank you for the opportunity to meet with you on Wednesday and provide response and clarification to your questions. We feel uniquely positioned to implement a successful solution given our span of experience with Fairfax County Public Schools and nearly 3,000 other school districts across the US. We are looking forward to speaking with you further about how we can best partner with FCPS to provide an eCommerce System that meets your needs.

Below is a direct response to each of your questions:

1. *FCPS has concerns based on reference interviews with organizations provided by Heartland. Please comment on the following:*
 - *Pasco County Florida (provided to FCPS as a reference even though they do not currently utilize MySchoolStore)*

Pasco County, Florida has been a long-time partner of Heartland School Solutions (HSS) and has been on the forefront of much of our technology and payments work. As such, we believed they would be a positive reference who would highlight our ability to be responsive as scope evolves, provide on-site support for projects, and help co-create solutions with our district partners.

- *Please explain why the pilot Point of Sale tablets were unsuccessful and the initiative was terminated*

In August 2013, HSS assisted Pasco County with a start-of-school tablet start-up and a Student Store Pilot. Pasco came to HSS that July seeking a way to streamline Back to School days at one high school. Within two weeks, we completed their merchant boarding and began in-person training for school and district personnel on Heartland's MoBuyle solution. MoBuyle processes credit/debit transactions by way of a dongle attached to a smartphone or tablet.

In addition to the on-site training, HSS sent two additional representatives to assist with the Back to School days in person. During the 2-day Back to School event, Wiregrass Ranch collected almost \$17,000 in credit card payments. The tablets were solely intended for the two-day event, and they did

not intend to use them for other purposes. Below is an e-mail we received from Josh Nelson who assisted Rick Kurtz in this project, commenting on the success of this event.

-----Original Message-----

From: Joshua R. Nelson [mailto:jnelson@pasco.k12.fl.us]

Sent: Tuesday, August 13, 2013 5:59 PM

To: Loch, Jeremy

Cc: Rick Kurtz; Lopez, Allen W.; Prismantas, Erica

Subject: RE: Assistance next week

Jeremy,

I just wanted to take a moment and thank you for your, your teams' and Heartland's support in getting our trial with My Student Store off the ground. Overall, we had great success with the Mobuyle product and are excited to see the reports for these last two days once that issue is corrected. We are also looking forward to pursuing the second phase of our trial by getting the online store configured for Wiregrass Ranch High School and ready for release by September 3rd. This continues to be an exciting challenge and we could not have had such great success with our initial implementation without the help of you, Allen, Erica, Ollie and Heartland's willingness to loan us the necessary equipment for the trial. Thank you again.

When we submitted our RFP response in November and again when we demonstrated MyStudentStore to FCPS in February, we were still in the running for the Student Store business district-wide in Pasco County. Unfortunately, the district informed us later in February that they would not be issuing an RFP and that they decided to go in different direction with regards to Student Store.

Since that time, we have continued to work with Pasco County to provide the technologies for credit card acceptance and payment management. In March 2014, we were contacted by the district to assist Wiregrass Ranch High School with school start up again in August 2014, using either our MoBuyle or Leaf solutions. It is our understanding the vendor selected in February does not have the same mobile capabilities. Furthermore, in May, Pasco selected HSS as the vendor to handle all of the district's vending machine credit card acceptance and software needs. This roll-out will begin in July and will involve credit card acceptance at the vending machines and the ability to use lunch prepaid funds at the vending machine. In addition, HSS will provide card present terminals for high schools and administrative dining for the 2014-2015 school year. It should also be noted that HSS was retained for all lunch pre-payments.

- *Please explain why, after FCPS asked for a suitable replacement, one was not provided.*

We are glad you raised this as an issue as we are surprised to learn there was such a request. We assure you we would have promptly provided a suitable reference replacement if we had known. We sincerely apologize that this was somehow missed. We can still provide those references if the time has not yet expired.

- Baltimore County: Can you explain the challenges faced by Baltimore County in the project implementation in all schools and the issues with availability of reporting for existing schools.

Heartland School Solutions was awarded the Baltimore County Public Schools payments business in July 2011. At the time, the plan was to roll-out MyLunchMoney in Year 1 and then start to roll out MyStudentStore in Year 2 (2012-13 school year). In the three years it has used MyLunchMoney for meal payments, BCPS has processed nearly \$10M in volume. It wasn't until April 2013 that we collectively began to roll-out MyStudentStore. One year later, there are approximately 20 sites actively using MyStudentStore, with more expected to activate over the summer.

There have been several challenges that slowed the rollout of MyStudentStore at BCPS. First, a year and a half elapsed between the time of the contract award and when the district was ready to kick off the Student Store rollout process. We lost a lot of momentum getting started this way, and we enabled this by not pushing harder to start sooner.

Second, on a related note, we did not have a strong Project Manager at HSS pushing the district and internal resources to meet key milestones. Similarly, the district did not have a project "champion" at a central level to encourage and promote the program with schools so that they would get started. We cannot emphasize enough the need for strong project leadership at the Central Office and a project evangelist in the district to encourage schools to get started.

Thirdly, there were lessons learned on the project roll-out about how to safeguard users from making errors in set-up. For example, a user might not know which G/L code to choose, thus we needed to add suggestions, pop-ups, and error traps in the software to prevent an error. Each time something like this occurred, the district chose to wait to involve any more schools.

Regarding questions around reporting, as BCPS got deeper into store sales, there were some different reports they needed and in hindsight, we should have better anticipated. We are very flexible in providing different reporting needs as they arise. We provided one key report in May and will have full export functionality for all their reports by start of school.

We hope you can see the contrast with where we are today in our service to districts, as a result of applying lessons learned from experiences like these to later rollouts like Colorado Springs School District. Today, we have a Project Manager lead all aspects of the implementation from start to finish, and we start each project by addressing what all parties need to provide to make it a success.

2. Describe how your web portal will integrate with e-commerce applications and sales and order systems currently in use by FCPS.

Integration between web portals and back-end systems are typically done in one of two ways, either through file exchange or via a web service. During the Requirements Analysis and Validation phase, application architects and business analysts will meet to analyze business requirements and to review business processes. The outcome of this analysis drives the selection of the web portal integration method. The most common distinction between file-integrations and web-service integrations is the need for real-time information. When real-time information is needed, a web-service integration will be

used. For example, if inventory were tracked in real-time by a separate system, the web portal would be integrated to that inventory system via a web service.

Likely System Integrations	Example	Integration Type	Previously Done With/For FCPS
Payment Gateway	Heartland Merchant Processing	Web Service	Yes
Accounting	Great Plains	File exchange	No
SIS System	Edupoint	File exchange	Yes
ERP	SAP	File exchange	No
Identity and Access Management	Windows ADFS	Security Assertion Markup Language (SAML)	No
Other e-commerce systems	Potentially fulfillment or inventory systems	File exchange or web service	No

As you can see from the above table, Heartland has demonstrated the capability to interface with FCPS systems. FCPS' Nutrition Department uses Heartland's WebSMARTT product for point of sale transactions in the lunchroom, and that implementation required integration to the SIS. This integration delivers up-to-date student rosters, improving lunch room experiences and the accuracy of reimbursement claims.

In some cases, the integration will require modifications to the user interface of the web portal.

The screenshot displays the 'Book of Merch' interface with the following fields and options:

- Navigation:** SAVE, SAVE AND CANCEL, CANCEL
- BASIC INFO:**
 - Name: Math 101 Textbook
 - SKU: [Empty]
 - GL Account: 472.00.0100.021.Math Textbooks
 - Price: 0.00
 - Variable Price: ☐
- DISPLAY OPTIONS:**
 - Visibility: Public
- TAXES & SHIPPING:**
 - State: US
 - Options: 0.00 L 0.00 W 0.00 H 1.00
 - Taxable: Yes
 - Weight: 0.00 Pounds
 - Warehouse: [Dropdown]
 - Tax Percent: 10.00%
- INVENTORY CONTROL:**
 - Cost of Goods: 0.00
 - Min Quantity: [Empty]
 - Max Quantity: 1000

Illustration 1: Integration of GL Account information

As you can see from the screen above, the GL account information was added to the product configuration screen. This screen change enables a configurable integration that meets the business requirement for G/L integration.

SAML. The Security Assertion Markup Language (SAML) is the preferred integration technique for Identity and Access Management in a Windows environment. Heartland has experience integrating ADFS with large school districts using SAML. Note that this integration would be used for FCPS employees attempting to perform privileged functions, such as exporting general ledger information. To further illustrate the distinction, SAML would typically not be used to authenticate parents.

As you can see from this review and from the explanations within the RFP, the Heartland web portal either is or can be integrated to existing FCPS systems. Several of the key integrations are already in place, and Heartland has the technical resources to create additional integrations as necessary.

3. Will Heartland use a decentralized or centralized approach to storefront management; explain your choice and the effect it will have on the FCPS storefront management function.

Our software will support the direction we collectively decide to go with a centralized or decentralized approach. Based on our experience with and involvement in managing payments for school districts, we recommend starting with a more centralized approach, gain momentum, and then move to more decentralized management.

Starting at the Central Office, there needs to be project champion and project leader who involves the school sites. This person will help coordinate training with our Project Manager and also identify the "Site Leaders" at each school site. The Site Leader serves as the "go to" person and subject matter expert for each site. The Site Leader will also assist the person responsible for end of month reconciliation. In our experience, this tends to be the Activities Director, Principal, Assistant Principal, or Administrative Assistant. That Site Leader will reach out to HSS if there are any questions about adding items, reconciliation, or any other process-related questions.

In the early stages of adding items to the Store, it works best to run items through the Site Manager while everything is still new. If someone will be a frequent seller, it makes sense for that person to have access to add items as well. The Site Leader can then train others as s/he sees fit.

After Stores begin operation, there will be less need at the Central Office for training coordination, answering questions, or account set-up.

These questions usually are best discussed with several FCPS stakeholders at the table where the pros and cons of both approaches can be reviewed.

4. FCPS requires 8:00AM – 8:00PM Eastern Time customer support – is Heartland able to provide that support?

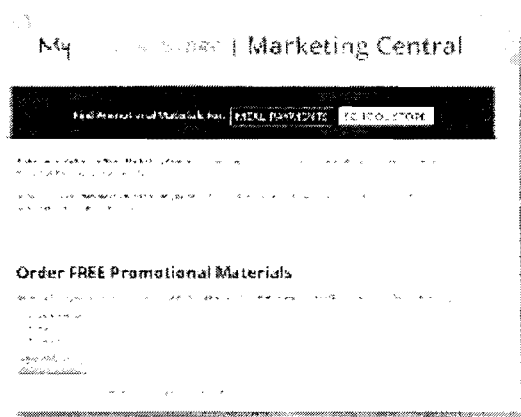
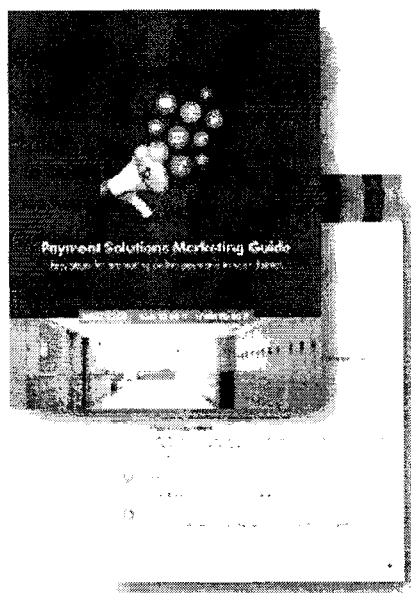
Yes.

5. Describe your plans for marketing this system to the FCPS community, particularly FCPS involvement and cost.

We understand that getting the word out about MyStudentStore is the key to building and maintaining its success. Heartland will partner directly with FCPS to develop a marketing campaign and communication plan that will generate awareness of MyStudentStore services to parents in the FCPS community.

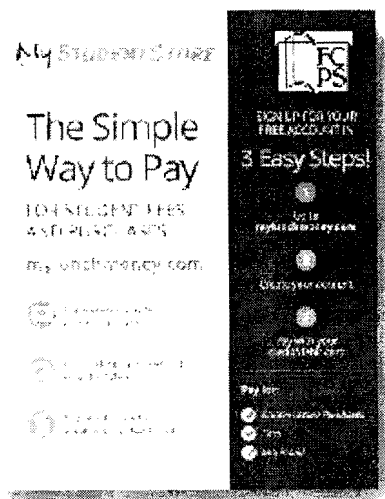
In our experience, a consistent promotion and communication effort is one of the most important steps in the effective rollout of an online payment system. Over 36,000 FCPS parents have already demonstrated an eagerness to use online payments to pay for school meals with our MyLunchMoney platform, and a marketing campaign to highlight these new services with a platform they already know and trust will ensure a smooth start for the district.

There are already a number of tools in place that FCPS can use to help promote MyStudentStore at FCPS schools. On our MyStudentStore Marketing Central website, FCPS can order free promotional materials such as postcards, flyers, and magnets that can be placed in registration packets or distributed at open houses and back-to-school events. These items can be shipped directly to FCPS and are free of charge.

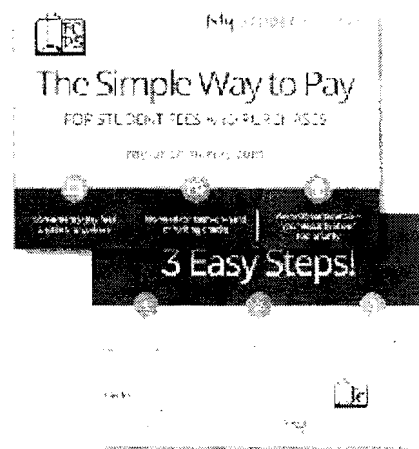


The MyStudentStore Marketing Central website also contains the Payment Solutions Marketing Guide that will take you step-by-step through all you need to complete a successful roll-out and continue to grow MyStudentStore participation throughout the year. This guide provides easy-to-implement marketing strategies, a comprehensive timeline to follow, and ways to use your free promotional materials.

Should the district choose, we can also develop FCPS and MyStudentStore co-branded marketing materials which can include emails, parent letters, flyers, and postcards. Please see below for a sample of these materials.

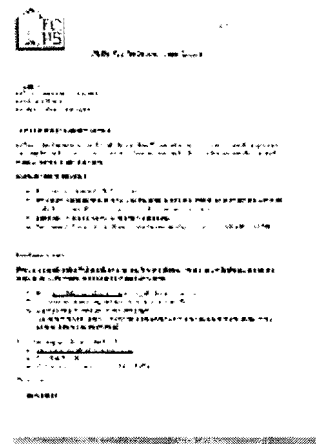


Flyer (8.5" x 11')



Postcard Handout (6" x 4.25')

Parent Letter (8.5" x 11')



6. Explain what integration methodology and plan you will use to integrate with FCPS' ERP systems, Great Plains and SAP. Will your plan require any resources to be provided by FCPS?

Heartland will use an agile software development methodology to modify existing integrations or to create new integrations for FCPS' ERP Systems. Heartland uses the agile methodology of scrum, and it is applied rigorously throughout Heartland School Solutions.

The scrum methodology is an iterative approach to software design and implementation that seeks continuous feedback from shareholders to deliver a solution that meets the business requirements.

Heartland will need FCPS resources during the integration development efforts. These resources include:

- API documentation or similar (eg. SAP Integration Guide)
- Business Analysts – having familiarity with the FCPS business processes and the software
- Network Analysts – able to discuss architectural limitations and opportunities
- Database Analysts – able to discuss status of current database resources, and potential risks related to integration. Potentially, an integration may drive the need for more memory, CPUs, or storage capacity/performance.
- Active Directory Administrators - grant access to resources, such as existing web services or databases
- Quality Assurance Analyst – able to review demonstrations of the integration and validate that the work is approved, e.g. user acceptance testing.

In particular, Heartland will engage these FCPS resources during several phases of the project. This engagement will begin with the requirements analysis and validation and design walkthroughs. This step will be followed with a design, development and unit/system testing effort. Subsequent to this phase, Heartland's Quality Assurance group will engage with the FCPS resources to work through the integration testing. This testing will include system integration, performance testing, and, finally, user acceptance testing.

We have deep experience executing data integration projects for vital district systems. Heartland has great confidence in its methodology, and it has the experienced personnel to perform these integrations. Because Heartland's team has already created integrations to Great Plains and Edupoint for FCPS, the timeline risks of system integrations will be greatly reduced.

7. How will Heartland integrate and accommodate student free-and-reduced-price meal eligibility for students who may benefit from a fee reduction or fee waiver?

Parent Permission

The entire process starts with the "Parents Consent to Share Form" sent out by Fairfax County. The letter would need to be modified to include the Student Store vendor so the correct price can be quoted.

After that, the process continues both at the administrator and item set-up level.

Adding Permission to the System

Upon receipt of these forms, the information would be added to WebSMARTT (current software for maintaining free and reduced information) via a checkbox that indicates this parent has given consent to share this information.

Item Set-up

When items are set-up, a box would be checked that says "F/R pricing." If that box is checked, the person adding the item will be prompted for a Free & Reduced price alternative.

Behind the Scenes

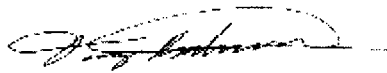
Approximately every 10 minutes, the system syncs with WebSMARTT via the MLM client. After a student's permissions are updated, the Student Store database is updated so that when a parent checks out, the appropriate price is applied.

Parent Shopping Experience

When a parent is shopping, upon adding an item that has been set-up as "F/R" pricing (indication not shown to parent), the price that appears in the cart will be whatever was set-up for the respective status, not the full fare price of the item in the store.

We look forward to discussing any follow-on questions to this document with you on Wednesday.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Roberts", with a horizontal line extending to the right.

Terry Roberts
Executive Director
Heartland School Solutions



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June 20, 2014

Jim Wise, CPPB
Fairfax County Public Schools
8115 Gatehouse Road, Suite 4400
Falls Church, Virginia 22042-1203

Reference: RFP2000000877 - Enterprise eCommerce System

Dear Mr. Wise:

Thanks so much for taking the time to meet with Jeremy Loch and me last week. I know you have a lot going on with the close of the school year, and we appreciated the chance to discuss MyStudentStore with you, Shakeel, Ted, and Meir. This letter is in response to your Negotiation Follow-up Letter dated June 13.

On June 10, 2014, we provided you with a written response to the seven questions we discussed during our June 11 meeting. I've attached that letter as reference here, and included below only the additional points we discussed.

1. *FCPS has concerns based on reference interviews with organizations provided by Heartland. Please comment on the following:*

- *Pasco County Florida (provided to FCPS as a reference even though they do not currently utilize MySchoolStore)*
- *Please explain why the pilot Point of Sale tablets were unsuccessful and the initiative was terminated*

We discussed our ongoing partnership with Pasco County Schools, as well as their desire to use Heartland for their onsite back-to-school effort this fall. At the time we provided Pasco as a reference, we were anticipating an RFP to expand online payment services. The district instead chose to pursue an option outside of an RFP approach, and we did not have a chance to respond with our proposal. In addition to providing service in the fall, we will continue to provide the online meal payment service to Pasco. We are also in the process of expanding our services so that 252 vending machines will have both credit card capability and the ability to use prepaid MyLunchMoney dollars.

- *Baltimore County: Can you explain the challenges faced by Baltimore County in the project implementation in all schools and the issues with availability of reporting for existing schools.*

The Baltimore County project did not start with a set of features and requirements nearly as well-defined as what FCPS has already provided. That led to a series of change requests and miscues at the time of the initial product launch. Baltimore County has also struggled to identify the right project stakeholders and end-users, which has slowed the roll-out. That being said, we have made progress with the district in the past weeks with the addition of our customized Manage Order Report. There are a number of different combinations of reports that can be run by sales and by product, by district, site, site group, and individual item. We are also providing additional training to end-users to better prepare for the 2014-15 school year launch.

We have had three instances this past year where reconciliation was off for an individual site. One item was a parent who called the call center for a refund and we did not notify the school. The second was an issue with the file pick-up timing into Safebooks. The third was a parent that double-clicked the "Order" button while the transaction was processing. A root cause analysis of each instance uncovered the specific issue and through process change or technical change, safeguards were put in place to keep this from occurring again.

This past week, we ordered 40,000 color Back-to-School MyStudentStore fliers to that are co-branded MyStudentStore and BCPS in anticipation of going live with MyStudentStore at the start of school.

2. *Describe how your web portal will integrate with e-commerce applications and sales and order systems currently in use by FCPS.*

We understand that FCPS wishes to create an integration with Great Plains whereby an API is used to create and post deposits. This will be done in place of a scheduled file exchange. We are comfortable creating this level of integration using Heartland resources. FCPS resources are required to ensure that the specifications for the API are correct, and may also be needed to ensure that Great Plains is cooperative in creating the API. However, the actual development will be done by Heartland staff.

There are open questions as to the extent to which teachers will need access to MyStudentStore, and we will work with FCPS to define those requirements. We will also use SAML so that district users can login to MyStudentStore using their existing FCPS login credentials. Roles within MyStudentStore still need to be created for those users; any role-based information will not be passed with the login.

At some point in the future, MyStudentStore may be expanded to include community use, and we will work with FCPS to define those requirements at the appropriate time.

3. *Will Heartland use a decentralized or centralized approach to storefront management; explain your choice and the effect it will have on the FCPS storefront management function.*

Either is possible. We recommend a more centralized approach at the outset of the project, which can then transition to a more site-based approach as users become more comfortable. All controls can always be made central at any time. The skillset of a typical store administrator should be that of someone who is comfortable making online ecommerce purchases, but we understand that system-specific training may involve more novice users.

G/L codes for items are selected from a drop-down list when creating a new item for sale. Users cannot enter their own G/L codes. In addition, based on user feedback, we created a smart search feature that allows you to enter a key word and then see any G/L combination that is tied to that search word. For example, entering "prom" at this district pulls up the following:

100-443681, 100-443682, 100-443683
 100-443684, 100-443685, 100-443686
 100-443687, 100-443688, 100-443689
 100-443690, 100-443691, 100-443692
 100-443693, 100-443694, 100-443695
 100-443696, 100-443697, 100-443698
 100-443699, 100-443700, 100-443701
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- We will provide call center service from 7:00am to 8:00pm Eastern Time.**

- We discussed the items listed in our June 10 response, and the creation of a Fairfax-specific marketing plan during the project roll-out. Marketing materials will be provided to FCPS at no cost to the district. A core tenet of that plan is leveraging the 36,000 parents that currently use MyLunchMoney.

6. Explain what integration methodology and plan you will use to integrate with FCPS' ERP systems, Great Plains and SAP. Will your plan require any resources to be provided by FCPS?

We provided information in our June 10 response and additional information above in question 2.

- We discussed that FCPS already has flagged which parents have allowed this information to be shared. We will update MyStudentStore with this information to create the appropriate pricing.

The final item we discussed was pricing. We understand that instead of passing the convenience fees along to the parents, FCPS plans to absorb those fees directly. In light of that, we are able to offer more favorable pricing than what was contained in our original proposal. We understand that FCPS has a processing fee available through another district or county government channel. A comparison between that rate and what we offer is not a valid comparison because of the additional services we offer, including:

- Full project management until agreed upon acceptance criterion are met and all schools are up and transacting
- A call center for parents and FCPS
- The highest levels of credit card and data security
- No hard up-front costs to the district. All fees are tied to transactions
- Complete system integration and setup at no cost to FCPS
- The development and execution of a marketing plan, as well as a significant investment in marketing materials for parents
- A fully-featured website

Taking all of these items into account, we believe we are offering high value for the MyStudentStore service. We propose the following fees, charged per transaction:

Initial Fee	Per Transaction Fee
Fee for the 2014-15 School Year	3.35%
Volume Based Fees for Subsequent School Years (One Rate Based on Year 1 Volume)	Per Transaction Fee
\$0 – 10 million	3.55%
\$10 million – \$25 million	3.25%
Over \$25 million	3.00%

We propose an initial fee of 3.35% in the first year. At the end of the first school year, we will reset the fee based on the volume achieved in that first year, according to the table above. When compared to our original pricing, we reduced the number of volume-based tiers and lowered the fee for each tier. This fee will apply regardless of the means of payment (credit card, debit card, and eCheck). The fee for all lunch purchases will remain at its current level of \$1.95.

Once again, we are appreciative of the opportunity to present MyStudentStore to Fairfax County Public Schools. Thank you for the opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Roberts", with a horizontal line extending to the right.

Terry Roberts

Executive Director, Heartland School Solutions



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P: 800.423.2113
heartlandschoolsolutions.com

June 10, 2014

Jim Wise, CPPB
Fairfax County Public Schools
8115 Gatehouse Road, Suite 4400
Falls Church, Virginia 22042-1203

Reference: RFP2000000877 - Enterprise eCommerce System

Dear Mr. Wise:

Thank you for the opportunity to meet with you on Wednesday and provide response and clarification to your questions. We feel uniquely positioned to implement a successful solution given our span of experience with Fairfax County Public Schools and nearly 3,000 other school districts across the US. We are looking forward to speaking with you further about how we can best partner with FCPS to provide an eCommerce System that meets your needs.

Below is a direct response to each of your questions:

1. *FCPS has concerns based on reference interviews with organizations provided by Heartland. Please comment on the following:*
 - *Pasco County Florida (provided to FCPS as a reference even though they do not currently utilize MySchoolStore)*

Pasco County, Florida has been a long-time partner of Heartland School Solutions (HSS) and has been on the forefront of much of our technology and payments work. As such, we believed they would be a positive reference who would highlight our ability to be responsive as scope evolves, provide on-site support for projects, and help co-create solutions with our district partners.

- *Please explain why the pilot Point of Sale tablets were unsuccessful and the initiative was terminated*

In August 2013, HSS assisted Pasco County with a start-of-school tablet start-up and a Student Store Pilot. Pasco came to HSS that July seeking a way to streamline Back to School days at one high school. Within two weeks, we completed their merchant boarding and began in-person training for school and district personnel on Heartland's MoBuyle solution. MoBuyle processes credit/debit transactions by way of a dongle attached to a smartphone or tablet.

In addition to the on-site training, HSS sent two additional representatives to assist with the Back to School days in person. During the 2-day Back to School event, Wiregrass Ranch collected almost \$17,000 in credit card payments. The tablets were solely intended for the two-day event, and they did

not intend to use them for other purposes. Below is an e-mail we received from Josh Nelson who assisted Rick Kurtz in this project, commenting on the success of this event.

—Original Message—

From: Joshua R. Nelson [mailto:jnelson@pasco.k12.fl.us]

Sent: Tuesday, August 13, 2013 5:59 PM

To: Loch, Jeremy

Cc: Rick Kurtz; Lopez, Allen W.; Prismantas, Erica

Subject: RE: Assistance next week

Jeremy,

I just wanted to take a moment and thank you for your, your teams' and Heartland's support in getting our trial with My Student Store off the ground. Overall, we had great success with the MoBuyle product and are excited to see the reports for these last two days once that issue is corrected. We are also looking forward to pursuing the second phase of our trial by getting the online store configured for Wiregrass Ranch High School and ready for release by September 3rd. This continues to be an exciting challenge and we could not have had such great success with our initial implementation without the help of you, Allen, Erica, Ollie and Heartland's willingness to loan us the necessary equipment for the trial. Thank you again.

When we submitted our RFP response in November and again when we demonstrated MyStudentStore to FCPS in February, we were still in the running for the Student Store business district-wide in Pasco County. Unfortunately, the district informed us later in February that they would not be issuing an RFP and that they decided to go in different direction with regards to Student Store.

Since that time, we have continued to work with Pasco County to provide the technologies for credit card acceptance and payment management. In March 2014, we were contacted by the district to assist Wiregrass Ranch High School with school start up again in August 2014, using either our MoBuyle or Leaf solutions. It is our understanding the vendor selected in February does not have the same mobile capabilities. Furthermore, in May, Pasco selected HSS as the vendor to handle all of the district's vending machine credit card acceptance and software needs. This roll-out will begin in July and will involve credit card acceptance at the vending machines and the ability to use lunch prepaid funds at the vending machine. In addition, HSS will provide card present terminals for high schools and administrative dining for the 2014-2015 school year. It should also be noted that HSS was retained for all lunch pre-payments.

- *Please explain why, after FCPS asked for a suitable replacement, one was not provided.*

We are glad you raised this as an issue as we are surprised to learn there was such a request. We assure you we would have promptly provided a suitable reference replacement if we had known. We sincerely apologize that this was somehow missed. We can still provide those references if the time has not yet expired.

- Baltimore County: Can you explain the challenges faced by Baltimore County in the project implementation in all schools and the issues with availability of reporting for existing schools.

Heartland School Solutions was awarded the Baltimore County Public Schools payments business in July 2011. At the time, the plan was to roll-out MyLunchMoney in Year 1 and then start to roll out MyStudentStore in Year 2 (2012-13 school year). In the three years it has used MyLunchMoney for meal payments, BCPS has processed nearly \$10M in volume. It wasn't until April 2013 that we collectively began to roll-out MyStudentStore. One year later, there are approximately 20 sites actively using MyStudentStore, with more expected to activate over the summer.

There have been several challenges that slowed the rollout of MyStudentStore at BCPS. First, a year and a half elapsed between the time of the contract award and when the district was ready to kick off the Student Store rollout process. We lost a lot of momentum getting started this way, and we enabled this by not pushing harder to start sooner.

Second, on a related note, we did not have a strong Project Manager at HSS pushing the district and internal resources to meet key milestones. Similarly, the district did not have a project "champion" at a central level to encourage and promote the program with schools so that they would get started. We cannot emphasize enough the need for strong project leadership at the Central Office and a project evangelist in the district to encourage schools to get started.

Thirdly, there were lessons learned on the project roll-out about how to safeguard users from making errors in set-up. For example, a user might not know which G/L code to choose, thus we needed to add suggestions, pop-ups, and error traps in the software to prevent an error. Each time something like this occurred, the district chose to wait to involve any more schools.

Regarding questions around reporting, as BCPS got deeper into store sales, there were some different reports they needed and in hindsight, we should have better anticipated. We are very flexible in providing different reporting needs as they arise. We provided one key report in May and will have full export functionality for all their reports by start of school.

We hope you can see the contrast with where we are today in our service to districts, as a result of applying lessons learned from experiences like these to later rollouts like Colorado Springs School District. Today, we have a Project Manager lead all aspects of the implementation from start to finish, and we start each project by addressing what all parties need to provide to make it a success.

2. Describe how your web portal will integrate with e-commerce applications and sales and order systems currently in use by FCPS.

Integration between web portals and back-end systems are typically done in one of two ways, either through file exchange or via a web service. During the Requirements Analysis and Validation phase, application architects and business analysts will meet to analyze business requirements and to review business processes. The outcome of this analysis drives the selection of the web portal integration method. The most common distinction between file-integrations and web-service integrations is the need for real-time information. When real-time information is needed, a web-service integration will be

used. For example, if inventory were tracked in real-time by a separate system, the web portal would be integrated to that inventory system via a web service.

Likely System Integrations	Example	Integration Type	Previously Done With/For FCPS
Payment Gateway	Heartland Merchant Processing	Web Service	Yes
Accounting	Great Plains	File exchange	No
SIS System	Edupoint	File exchange	Yes
ERP	SAP	File exchange	No
Identity and Access Management	Windows ADFS	Security Assertion Markup Language (SAML)	No
Other e-commerce systems	Potentially fulfillment or inventory systems	File exchange or web service	No

As you can see from the above table, Heartland has demonstrated the capability to interface with FCPS systems. FCPS' Nutrition Department uses Heartland's WebSMARTT product for point of sale transactions in the lunchroom, and that implementation required integration to the SIS. This integration delivers up-to-date student rosters, improving lunch room experiences and the accuracy of reimbursement claims.

In some cases, the integration will require modifications to the user interface of the web portal.

Book of Merch

SAVE | SAVE AND CANCEL | CANCEL

NAME: MATH 101 Textbook

SKU:

GL Account: 472.00.0100.001 Math Textbooks

Price: 10.00

Variable Price: ☐

DISPLAY OPTIONS

Visibility: PUBLIC

TAXES & SHIPPING

Shippable: Yes

Dimensions: 0.00 L | 0.00 W | 0.00 H | 1.00 lbs

Taxable: Yes

INVENTORY CONTROL

Cost of Goods: 0.00

Min Quantity:

Weight: 0.00 Pounds

Warehouse:

Tax Percent: 10.00 %

Max Quantity: 1000

Illustration 1: Integration of GL Account information

As you can see from the screen above, the GL account information was added to the product configuration screen. This screen change enables a configurable integration that meets the business requirement for G/L integration.

SAML. The Security Assertion Markup Language (SAML) is the preferred integration technique for Identity and Access Management in a Windows environment. Heartland has experience integrating ADFS with large school districts using SAML. Note that this integration would be used for FCPS employees attempting to perform privileged functions, such as exporting general ledger information. To further illustrate the distinction, SAML would typically not be used to authenticate parents.

As you can see from this review and from the explanations within the RFP, the Heartland web portal either is or can be integrated to existing FCPS systems. Several of the key integrations are already in place, and Heartland has the technical resources to create additional integrations as necessary.

3. Will Heartland use a decentralized or centralized approach to storefront management; explain your choice and the effect it will have on the FCPS storefront management function.

Our software will support the direction we collectively decide to go with a centralized or decentralized approach. Based on our experience with and involvement in managing payments for school districts, we recommend starting with a more centralized approach, gain momentum, and then move to more decentralized management.

Starting at the Central Office, there needs to be project champion and project leader who involves the school sites. This person will help coordinate training with our Project Manager and also identify the "Site Leaders" at each school site. The Site Leader serves as the "go to" person and subject matter expert for each site. The Site Leader will also assist the person responsible for end of month reconciliation. In our experience, this tends to be the Activities Director, Principal, Assistant Principal, or Administrative Assistant. That Site Leader will reach out to HSS if there are any questions about adding items, reconciliation, or any other process-related questions.

In the early stages of adding items to the Store, it works best to run items through the Site Manager while everything is still new. If someone will be a frequent seller, it makes sense for that person to have access to add items as well. The Site Leader can then train others as s/he sees fit.

After Stores begin operation, there will be less need at the Central Office for training coordination, answering questions, or account set-up.

These questions usually are best discussed with several FCPS stakeholders at the table where the pros and cons of both approaches can be reviewed.

4. FCPS requires 8:00AM – 8:00PM Eastern Time customer support – is Heartland able to provide that support?

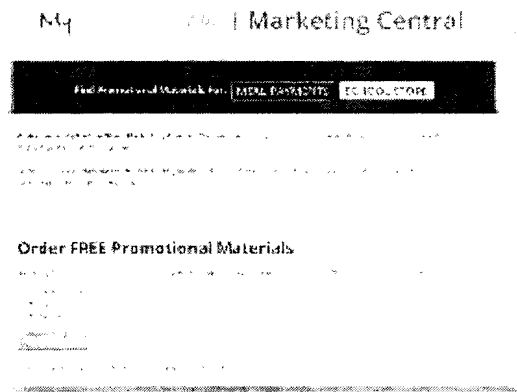
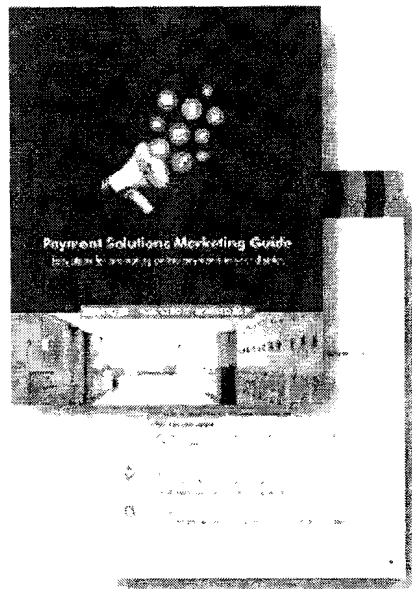
Yes.

5. Describe your plans for marketing this system to the FCPS community, particularly FCPS involvement and cost.

We understand that getting the word out about MyStudentStore is the key to building and maintaining its success. Heartland will partner directly with FCPS to develop a marketing campaign and communication plan that will generate awareness of MyStudentStore services to parents in the FCPS community.

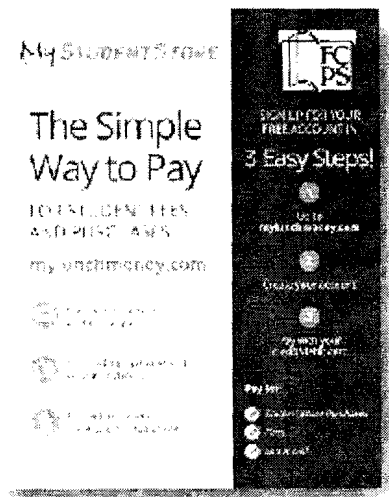
In our experience, a consistent promotion and communication effort is one of the most important steps in the effective rollout of an online payment system. Over 36,000 FCPS parents have already demonstrated an eagerness to use online payments to pay for school meals with our MyLunchMoney platform, and a marketing campaign to highlight these new services with a platform they already know and trust will ensure a smooth start for the district.

There are already a number of tools in place that FCPS can use to help promote MyStudentStore at FCPS schools. On our MyStudentStore Marketing Central website, FCPS can order free promotional materials such as postcards, flyers, and magnets that can be placed in registration packets or distributed at open houses and back-to-school events. These items can be shipped directly to FCPS and are free of charge.

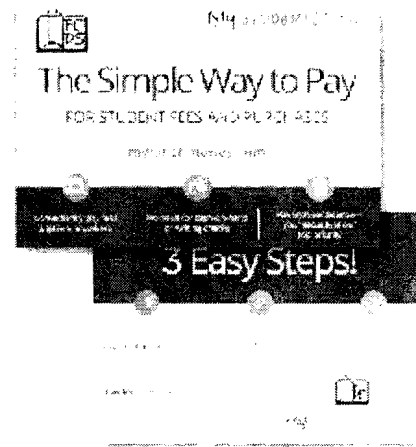


The MyStudentStore Marketing Central website also contains the Payment Solutions Marketing Guide that will take you step-by-step through all you need to complete a successful roll-out and continue to grow MyStudentStore participation throughout the year. This guide provides easy-to-implement marketing strategies, a comprehensive timeline to follow, and ways to use your free promotional materials.

Should the district choose, we can also develop FCPS and MyStudentStore co-branded marketing materials which can include emails, parent letters, flyers, and postcards. Please see below for a sample of these materials.

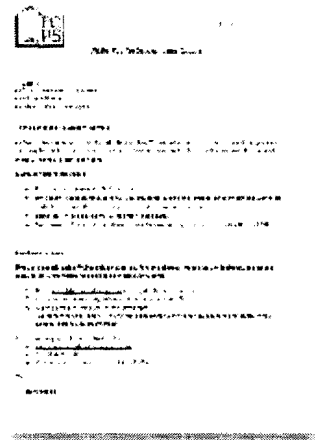


Flyer (8.5" x 11")



Postcard Handout (6" x 4.25")

Parent Letter (8.5" x 11")



6. Explain what integration methodology and plan you will use to integrate with FCPS' ERP systems, Great Plains and SAP. Will your plan require any resources to be provided by FCPS?

Heartland will use an agile software development methodology to modify existing integrations or to create new integrations for FCPS' ERP Systems. Heartland uses the agile methodology of scrum, and it is applied rigorously throughout Heartland School Solutions.

The scrum methodology is an iterative approach to software design and implementation that seeks continuous feedback from shareholders to deliver a solution that meets the business requirements.

Heartland will need FCPS resources during the integration development efforts. These resources include:

- API documentation or similar (eg. SAP Integration Guide)
- Business Analysts – having familiarity with the FCPS business processes and the software
- Network Analysts – able to discuss architectural limitations and opportunities
- Database Analysts – able to discuss status of current database resources, and potential risks related to integration. Potentially, an integration may drive the need for more memory, CPUs, or storage capacity/performance.
- Active Directory Administrators - grant access to resources, such as existing web services or databases
- Quality Assurance Analyst – able to review demonstrations of the integration and validate that the work is approved, e.g. user acceptance testing.

In particular, Heartland will engage these FCPS resources during several phases of the project. This engagement will begin with the requirements analysis and validation and design walkthroughs. This step will be followed with a design, development and unit/system testing effort. Subsequent to this phase, Heartland's Quality Assurance group will engage with the FCPS resources to work through the integration testing. This testing will include system integration, performance testing, and, finally, user acceptance testing.

We have deep experience executing data integration projects for vital district systems. Heartland has great confidence in its methodology, and it has the experienced personnel to perform these integrations. Because Heartland's team has already created integrations to Great Plains and Edupoint for FCPS, the timeline risks of system integrations will be greatly reduced.

7. How will Heartland integrate and accommodate student free-and-reduced-price meal eligibility for students who may benefit from a fee reduction or fee waiver?

Parent Permission

The entire process starts with the "Parents Consent to Share Form" sent out by Fairfax County. The letter would need to be modified to include the Student Store vendor so the correct price can be quoted.

After that, the process continues both at the administrator and item set-up level.

Adding Permission to the System

Upon receipt of these forms, the information would be added to WebSMARTT (current software for maintaining free and reduced information) via a checkbox that indicates this parent has given consent to share this information.

Item Set-up

When items are set-up, a box would be checked that says "F/R pricing." If that box is checked, the person adding the item will be prompted for a Free & Reduced price alternative.

Behind the Scenes

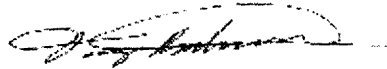
Approximately every 10 minutes, the system syncs with WebSMARTT via the MLM client. After a student's permissions are updated, the Student Store database is updated so that when a parent checks out, the appropriate price is applied.

Parent Shopping Experience

When a parent is shopping, upon adding an item that has been set-up as "F/R" pricing (indication not shown to parent), the price that appears in the cart will be whatever was set-up for the respective status, not the full fare price of the item in the store.

We look forward to discussing any follow-on questions to this document with you on Wednesday.

Sincerely,



Terry Roberts
Executive Director
Heartland School Solutions